(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) to (d) A Committe headed by the Chairman, Food Corporation of India set up to, *inter alia*, to formulate a clear and comprehensive policy framework for the export (and import) of foodgrains, over a period of time, as also to recommend Operational guidelines pertaining thereto, has concluded its work. Presently, WTO Compatiable post-delivery expenses incurred by exporters are reimbursable.

Expenditure of food subsidy

450. SHRI C. RAMACHANDRAIAH: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the expenditure on food subsidy reached a whopping amount of Rs. 27,800/- crores;

(b) whether it is also a fact that this amount includes the expenditure made for holding surplus food stocks;

(c) if so, the details of the food subsidy spent under various heads;

(d) whether Government are aware of the fact that even the free distribution of excess stock to the drought affected or needy would be cheaper than storing them; and

(e) if so, the steps being taken to avoid the wasteful spending on the storage of unnecessary food stocks?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SUBHASH MAHARIA): (a) Yes, Sir. A provison of Rs. 27,800/- crore has been made for 2003-04 (BE), out of which the share of food subsidy is Rs. 27,750/- crore and the share of sugar subsidy is Rs. 50/- crore.

(b) Yes, Sir. It includes Rs. 5069 crore towards holding buffer stocks, which includes stocks of foodgrains required for the food security of the country.

(c) The details of food subsidy spent under various heads during 2003-2004 (till 22.07.2003) is as under:—

(Rs. in crore)

Consumer subsidy	8976.18
Buffer subsidy	1619.50
TOTAL :	10,595.68

(d) No, Sir. The economic cost of wheat and rice and carrying cost of buffer during 2003-04 (BE) is as under:—

(Rate Rs. Per qtl.)

Economic cost		Buffer cost
Wheat	Rice	
920.64	1247.66	339.31

Thus, in view of the higher economic cost in comparison to buffer cost per annum, free distribution to stock would not be cheaper. Foodgrains are however issued to the drought affected State Govts. "free of cost" under the Special Component of the Sampoorna Gramin Rozgar Yojana.

(e) To avoid unnecessary expenditure on storage of excess food stocks, the following steps have been taken to increase the offtake of foodgrains:—

(i) Increase in the scale of issue under the PDS to 35 kg. per family per month w.e.f. April, 2002.

(ii) Freezing of Central Issue Price (C.I.P.) of foodgrains for BPL and APL families.

(iii) Implementation and expansion of the Antyodaya Anna Yojana Scheme.

(iv) Implementation of the foodgrains based Sampoorna Gramin Rojgar Yojana (SGRY).

(v) Allocation of foodgrains under the Food for Work and the Special Component of the SGRY.

(vi) Promotion of exports of foodgrains.

Due to these measures the stock of foodgrains has reduced from 647 lakh tonnes as on 1st June, 2002 to 398 lakh tonnes on 1st June, 2003.